

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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OCT 20 1997

In the Matter of

Application of BellSouth
Telecommunications, Inc. and
BellSouth Long Distance, Inc. for
Provision of In-Region, InterLATA
Services in South Carolina

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 97-208

COMMENTS OF TELEPORT COMMUNICATIONS GROUP INC.

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October 20, 1997

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SUMMARY

Teleport Communications Group Inc. ("TCG") is that nation's leading competitive local exchange carrier ("CLEC"), serving 52 major markets with state-of-the-art fiber optic backbone networks supplemented by wireless facilities. TCG has a very strong interest in this proceeding as a prospective provider of local exchange services in South Carolina. Local exchange competition, however, will not develop in the state unless BellSouth provides interconnection to CLECs as required under the Telecommunications Act of 1996.

TCG submits that BellSouth has failed to meet its burden of establishing it may proceed under Track B. Moreover, BellSouth inappropriately relies upon "regionwide" BellSouth data to satisfy Track A requirements. This is inconsistent with the Act and with the FCC's orders in response to 271 applications filed by Ameritech in Michigan and SBC Communications in Oklahoma.

Even if BellSouth were permitted to utilize regionwide data, TCG's direct experience in another Florida suggests that BellSouth is far from meeting the requirements of Section 271. TCG is experiencing significant problems with BellSouth in Florida related to call blocking and alternate routing. In addition, BellSouth has failed to confirm SS7 Signaling Transfer Point code activation; has failed to confirm interexchange Carrier Identification Codes; has failed to provide meet-point billing data; and has failed to properly compensate CLECs for terminating calls to Internet service providers. Moreover, BellSouth does not provide adequate interconnection performance measures and standards. Therefore, TCG submits that BellSouth has not met its burden of proof in this proceeding and its request for relief should be denied.

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COMMENTS OF TELEPORT COMMUNICATIONS GROUP INC.

Teleport Communications Group Inc. ("TCG") hereby submits its Comments on the Application of BellSouth Telecommunications Inc. and BellSouth Long Distance, Inc. (collectively "BellSouth") for Provision of In-Region, InterLATA Services in South Carolina ("Application").¹

I. Introduction

TCG is the oldest and largest competitive local exchange carrier ("CLEC") in the United States. TCG is authorized to provide local exchange services in 32 states across the nation including five states where BellSouth is an Incumbent Local Exchange Carrier ("ILEC"): Florida, North Carolina, Georgia, Alabama and Tennessee. Although TCG has not yet applied to the South Carolina Public Service Commission for authority to provide local exchange service, TCG nevertheless has a very strong interest in this proceeding as TCG utilizes many of the regional

¹ BellSouth filed its Application with the Federal Communications Commission ("FCC" or "Commission") on September 30, 1997. In a Public Notice issued that same date, the FCC directed Interested Third Parties to file comments in support of or in opposition to BellSouth's Application on or before October 20, 1997.

resources BellSouth relies upon for support of its instant Application. Moreover, as prospective providers of telecommunications services, like TCG, prepare to enter the local exchange market in South Carolina,² BellSouth must take all the required and appropriate steps to open this monopoly market to competition. Unless and until BellSouth opens its local exchange market in South Carolina, the competition envisioned by Congress and the South Carolina PSC will never develop to its potential. Therefore, it is imperative that the FCC ensure that BellSouth has met its substantial burden of proof in this case before granting the company the in-region, interLATA relief it has requested.³

The FCC has provided a detailed blueprint for proceeding under Section 271 in its rejection of the Ameritech Michigan application.⁴ Unfortunately, BellSouth did not appear to use this blueprint in filing its application in this case. Most critically, BellSouth's application is virtually devoid of relevant South Carolina-specific information in its filing. BellSouth's burden of proof must be met with evidence related to the state of local competition in South Carolina, not

² TCG is constructing a network in Charlotte, North Carolina, in south-central North Carolina, which shares a community of interest with South Carolina.

³ It should also be noted that to the extent BellSouth relies upon regional organizations, support systems, etc. in support of its Application in South Carolina, a finding by the Commission in the instant Application may prejudice on-going, state-level investigations of BellSouth's compliance with the requirements of Section 271 in other jurisdictions.

⁴ Memorandum Opinion and Order, Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-Region, InterLATA Services in Michigan, CC Docket No. 97-137, FCC No. 97-298 (rel. Aug. 19, 1997) ("Ameritech Order").

evidence relevant to other states.⁵ BellSouth has not even approached meeting its substantial burden of proof of this case. On the contrary, BellSouth's application appears to disregard the Commission's previous admonitions against frivolous Section 271 filings.

TCG recognizes the short time frame under which the FCC must consider BellSouth's application for in-region interLATA relief. Through its Comments, TCG seeks to provide objective information that would assist the Commission in determining BellSouth's compliance with the Section 271. Although TCG does not currently operate in South Carolina and has no direct experience with BellSouth's operations in that state, TCG does have substantial on-going operations in Florida.⁶ To the extent that BellSouth relies upon regional support functions to satisfy its obligations in South Carolina -- these same regional organizations which serve TCG in Florida and elsewhere-- TCG's experience in Florida should prove instructive to the Commission. After all, it is logical to conclude that BellSouth's reliance upon regional support teams to satisfy its obligations in South Carolina will lead to the same problems TCG has experienced in Florida and elsewhere.

⁵ Ironically, even if BellSouth were to refile in South Carolina with performance information similar to that which is available in the BellSouth "showcase" state of Florida, the record would still not support a Commission finding in favor of permitting BellSouth in in-region, interLATA market.

⁶ TCG has been operating as a CLEC in Florida since October 19, 1995. TCG also has an interconnection agreement with BellSouth in Florida.

TCG will not attempt to address all of the numerous issues raised in BellSouth's Application in the short time frame allowed. TCG's silence on an issue, however, should not be construed as support of BellSouth's position.

II. Status of Competition in South Carolina

In its Brief, BellSouth argues that "[o]utside the most obviously profitable cities and service categories, potential local competitors appear unwilling to seize the opportunities Congress, regulators, and BellSouth have made available." BellSouth Brief at i. BellSouth suggests that competition has not arrived in South Carolina because competitors are not interested in smaller markets. Not surprisingly, BellSouth has the cause and effect reversed. It is not CLEC lack of interest that retards competitive entry in smaller markets like South Carolina, rather it is the RBOC's poor performance (as is consistently demonstrated in larger markets like Florida). In larger markets CLECs may devote significant resources to pressure RBOCs to address poor performance because there are a greater number of and larger customers. Poor RBOC performance, therefore, may damage, but not destroy local exchange competition. In smaller markets, however, the cost of rectifying poor performance by RBOCs is much too great in light of the fewer number and smaller size of potential customers. Poor RBOC performance in smaller markets may absolutely destroy competition. Thus, competitors cannot tolerate substandard RBOC performance in South Carolina.

Unfortunately, BellSouth's performance in Florida is predictive of the type of performance CLECs will receive in South Carolina. Consequently, BellSouth's poor performance in Florida

becomes in effect a “barrier to entry” to competitive carriers contemplating market entry in South Carolina. TCG submits that RBOCs should not be rewarded for poor performance in a large market by preserving a default monopoly market in smaller markets. The Commission must carefully scrutinize BellSouth’s application for interLATA relief to ensure that BellSouth is taking all the necessary and required steps to make competition a reality in South Carolina.

III. BellSouth Failed to Meet its Burden of Establishing that it May Proceed Under Track B.

The Commission has determined that Track B,⁷ by its own terms, is available to a BOC only where “no [potential competing] provider has requested the access and interconnection described in [section 271(c)(1)(A)].”⁸ The Commission has properly interpreted Track B as a “limited exception” to the preferred Track A⁹ approach. *Id.* ¶ 46. Notwithstanding the Commission’s determinations, BellSouth argues that because no CLEC has made any “significant, timely effort” to provide facilities-based local competition, it may proceed under Track B of Section 271.¹⁰

⁷ 47 U.S.C. § 271(c)(1)(B).

⁸ Memorandum Opinion and Order, Application of SBC Communications Inc., Pursuant to Section 271 of the Communications Act of 1934, as Amended to Provide In-Region, interLATA Services in Oklahoma, CC Docket No. 97-121, FCC No. 97-121, ¶ 34 (rel. June 26, 1997)(“SBC Order”)

⁹ *Id.* § 271(c)(1)(A).

¹⁰ Brief in Support of Application by BellSouth for Provision of In-Region, InterLATA Services in South Carolina (filed September 30, 1997) (“BellSouth Brief”) at 8.

TCG submits that BellSouth should be precluded from proceeding under Track B.

BellSouth itself acknowledges that it has reached interconnection agreements with 67 telecommunications carriers. BellSouth Brief at 5, n.4. BellSouth has in fact stated “it is even possible that CLECs have begun to offer facilities-based service to residential as well as business subscribers in South Carolina in recent weeks . . .” Id. at 15. BellSouth goes on to cite ITC DeltaCom’s tariff for local service in Greenville, South Carolina, which suggests ITC will be offering residential service. Id. at 15-16. BellSouth attempts to address this critical factual matter by stating: “Such conduct may be part of an improper attempt to thwart approval of BellSouth’s application without actually moving ITC DeltaCom into the residential market, or it may reflect that ITC DeltaCom just recently determined to enter the local residential market in Greenville.” Id. at 16. BellSouth concludes by stating: “The Commission should get to the bottom of the matter.” Id.

TCG strongly disagrees with BellSouth’s conclusion. Under the Ameritech Order, “the ultimate burden of proof with respect to factual issues remains at all times with the BOC, even if no party opposes the BOC’s application.” Ameritech Order at ¶ 43. Accordingly, BellSouth must meet a strong burden of establishing that none of the 67 companies’ requests for interconnection “will lead to the type of telephone exchange service described in section 271(c)(1)(A).” SBC Order ¶ 57. TCG submits that based on the record submitted by BellSouth -- or more precisely the absence of a record on this issue -- this burden has not been met.

IV. BellSouth Inappropriately Relies on Regionwide Data to Support its South Carolina Application

Assuming that Track A is applicable, BellSouth must establish that it is “providing access and interconnection” pursuant to an applicable interconnection agreement and that the access and interconnection services in question meet the 14 point competitive checklist described in Section 271(c)(2)(B). BellSouth relies heavily upon its “region-wide” implementation of interconnection to suggest that it meets the Checklist Items. For example, BellSouth relies upon:

- the number of interconnection trunks from CLEC’s switches to BellSouth’s switches in the nine-state BellSouth region (BellSouth Brief at 34);
- the number of collocation arrangements in the BellSouth region (Id. at 35);
- the number of unbundled loops provisioned in the BellSouth region (Id. at 42);
- the number of dedicated local transport trunks furnished by BellSouth to CLECs in the BellSouth region (Id. at 43);
- the number of trunks connecting CLEC’s with BellSouth’s E911 arrangements in the BellSouth region (Id. at 46); and
- the number of operator services and verification trunks across the BellSouth region (Id. at 47).

TCG submits that BellSouth should be relying upon South Carolina specific-information to support its application to provide in-region, interLATA services in the state of South Carolina. The only rationale for relying on regional data to support its application is that BellSouth cannot establish compliance with the 14 point Checklist Items in South Carolina. To the extent that BellSouth is unable to meet its substantial burden of proof using this state-specific information, the Commission has no choice but to reject BellSouth’s application.

V. To the Extent that BellSouth Relies on Regionwide Support Functions, it Has Failed to Meet the Requirements of Section 271

Although TCG believes it is inappropriate to rely on regionwide operations and data to determine compliance with Section 271, TCG believes that BellSouth's misleading contentions must be addressed. While BellSouth is touting its record throughout the region, TCG's direct experiences with BellSouth in Florida suggests that BellSouth is far from being in compliance with the Checklist Requirements.

A. Interconnection in Accordance with the Requirements of Sections 251(c)(2) and 252(d)(1).

Checklist Item No. 1 requires BellSouth to demonstrate that it provides "[i]nterconnection in accordance with the requirements of Sections 251(c)(2) and 252(d)(1)."¹¹ Pursuant to Section 251(c)(2)(C) of the Act, BellSouth must provide interconnection "that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection." TCG submits that evidence in the record in the Section 271 proceeding conducted by the Florida Public Service Commission¹² conclusively demonstrates that BellSouth is not providing TCG and other CLECs with interconnection parity. This evidence is discussed below.

¹¹ 47 U.S.C. § 271(c)(2)(B)(i).

¹² In re: Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996, Docket No. 960786-TL. The Florida PSC held extensive hearing and has accepted briefs from all interested parties. The PSC has not issued a ruling on BellSouth's application.

1. BellSouth Practices Contribute to Excessive Call Blocking for Calls Destined to TCG.¹³

Call blocking by BellSouth in the south Florida LATA is pervasive even though there is available capacity within TCG's switched network at the time blockage occurs. The obvious conclusion is that the blockage is occurring in BellSouth's network. TCG has received numerous complaints from its customers that have not been able to receive calls from BellSouth's end users due to this blockage. In some cases, the blockage is due to incorrect translations that BellSouth performs in its end office switches. In other cases, the blockage results from BellSouth's failure to provide sufficient trunk capacity between BellSouth's tandems and TCG's switch. In still other cases, the blockage results from the vastly inferior network design that BellSouth has selected for CLECs. The evidence in the Florida 271 proceeding shows that the call blockage is not caused by insufficient trunk capacity in the interconnection trunks that deliver calls from TCG's end users to BellSouth's network. Unlike BellSouth, TCG appropriately monitors its trunks and installs the necessary additional capacity in a timely fashion. Call blockage occurs on the trunks that BellSouth provides to TCG, trunks that can only be monitored by Bell.¹⁴

¹³ See *id.*, Posthearing Brief of Teleport Communications Group Inc. ("TCG Florida Brief"), filed September 23, 1997, at 20. A copy of this brief is attached and marked as TCG Exhibit 1. In addition, the rebuttal testimony of TCG witnesses Paul Kouroupas and Frank Hoffman, filed in that same proceeding, are attached and marked at TCG Exhibits 2 and 3 respectively.

¹⁴ TCG also has reason to believe that call blocking is occurring within BellSouth's network between its end offices and its tandem switches, but TCG is not able to obtain the data necessary to confirm this. BellSouth retains all of this data.

BellSouth's performance pertaining to the blockage and completion of local calls from BellSouth's end users to TCG's network is of great importance to TCG and its customers. Call blockage degrades the quality of service that TCG's end user customer's experience. True parity requires that the number and percentage of blocked calls from BellSouth's customers to TCG's customers be of no material difference than the number and percentage of blocked calls from BellSouth to BellSouth customers. A relatively high level of blocked calls is unacceptable to TCG and its customers. The blockage issue is especially troublesome for TCG from a competitive standpoint because TCG's customers are not able to discern that the call blockage problem is caused by BellSouth. And of course, Ameritech's failures to provide parity in call completion was an important issue in this Commission's decision to deny Ameritech's Michigan application.¹⁵

2. BellSouth Fails to Provide Alternate Routing¹⁶

One of the factors contributing to the severe call blockage in Florida is the inferior network design BellSouth employs to route traffic destined to CLECs. A local call within BellSouth's network travels through an exclusive network of direct end office trunking with local tandem and access tandem overflow. BellSouth's network is designed in this manner so that if trunk groups between two end offices are busy, the call can alternate route through the tandem and still be completed.

¹⁵ Ameritech Order at ¶ 255.

¹⁶ TCG Florida Brief at 17-19.

In contrast, when BellSouth has to deliver a local call to TCG's network, there is only one single route available through BellSouth's access tandem. Despite repeated requests from TCG over the past six months for alternate routing schemes, BellSouth has refused to install the necessary end-office-to-end office connections TCG desires.¹⁷ The lack of alternate routing schemes between BellSouth and TCG¹⁸ not only dramatically increases the incidence of call blocking, but is clear evidence that BellSouth is not providing parity of interconnection to TCG.

3. BellSouth Has Not Complied with Section 251(c)(2)(D) by Failing to Fulfill Its Contractual Interconnection Obligations in Numerous Ways in Florida.

Section 251(c)(2)(D) requires an ILEC to provide interconnection "in accordance with the terms and conditions of the [interconnection] agreement. BellSouth in Florida, however, has not fulfilled its obligation to adhere to the terms of the BellSouth-TCG interconnection agreement.

a. BellSouth Fails to Confirm SS7 Signaling Transfer Point Code Activation¹⁹

SS7 Signaling Transfer Point ("STP") code activation is required for the exchange of traffic between BellSouth and CLECs. Without confirmation that SS7 point codes have been

¹⁷ Only recently, and in response to TCG's testimony in Florida regarding this issue, has BellSouth "volunteered" to install trunking from select end offices within its network to TCG's network.

¹⁸ TCG has deployed trunk groups to both BellSouth tandems and end offices so that TCG has available to it alternate routing schemes when routing traffic from TCG to BellSouth. It is BellSouth's refusal to reciprocate this arrangement that concerns TCG.

¹⁹ See TCG Florida Brief at 13-14.

properly loaded, TCG has no assurance that the services marketed and provided by TCG will function properly when the customer is connected. Pursuant to TCG's interconnection agreement in Florida with BellSouth, BellSouth was required to confirm the activation of SS7 point codes. BellSouth is the only party that can provide that critical information. At the time of the briefing in the Florida proceeding (September 23, 1997), BellSouth had yet to confirm that TCG's point codes have been loaded into BellSouth's STPs. BellSouth therefore was in direct breach of its interconnection agreement with TCG.

b. BellSouth Fails to Provide Interexchange Carrier Identification Codes²⁰

Interexchange carrier identification codes (CICs) must be loaded into TCG's switches to properly recognize the Interexchange Carriers that provide service to TCG's customers through BellSouth's access tandem. Although the Interconnection Agreement between TCG and BellSouth specifically requires BellSouth to provide CICs to TCG, BellSouth nevertheless refused to provide such codes. At the time of the briefing in the Florida proceeding (September 23, 1997), BellSouth had yet to provide TCG the CICs. BellSouth therefore was in direct breach of its interconnection agreement with TCG.

²⁰ See id. at 14-15.

c. BellSouth Fails to Provide Meet-Point Billing Data²¹

Pursuant to the interconnection agreement, BellSouth is required to work cooperatively with TCG to support meet-point billing arrangements. Meet-point billing records are required for TCG to properly bill IXC's for services provided by TCG. Despite this contractual obligation, BellSouth has yet to provide these records to TCG, leaving TCG unable to bill IXC's for any of the interexchange calls that have been terminated at TCG's end office since the Agreement was entered into more than one year ago. At the time of the briefing in the Florida proceeding (September 23, 1997), BellSouth had yet to provide TCG the meet-point billing data. BellSouth therefore was in direct breach of its interconnection agreement with TCG.

d. BellSouth Fails to Compensate CLECs for Terminating Calls to ISPs²²

More recently, TCG was made aware of a "policy" change within BellSouth affecting TCG's reciprocal compensation arrangements. BellSouth has unilaterally determined that local calls placed to TCG end users which happen to be Internet service providers ("ISPs") are not subject to the reciprocal compensation arrangements governing the exchange of local traffic in TCG's Interconnection Agreement.

²¹ See id. at 15-16.

²² See id. at 16.

Section 1.D of the Interconnection Agreement defines “Local Traffic” as “any telephone call that originates and terminates in the same LATA and is billed by the originating party as a local call. . . .” Local calls under the Agreement are subject to reciprocal compensation arrangements. Although traffic from end user customers of BellSouth to ISP end user customers of TCG are squarely within the definition of “Local Traffic” -- and thus subject to reciprocal compensation arrangements -- BellSouth has nevertheless unilaterally determined that it will not pay reciprocal compensation on those calls. BellSouth’s action contravenes its Interconnection Agreement with TCG. Moreover, BellSouth’s failure to pay reciprocal compensation breaches the Interconnection Agreement and shows that BellSouth is not in compliance with Checklist item 13, i.e., “reciprocal compensation arrangements in accordance with the requirements of section 252(d)(2).”

B. BellSouth Does Not Provide Adequate Interconnection Performance Measures and Standards²³

The simple requirement of the Act is that an RBOC must provide interconnection “that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection.” Section 251(c)(2)(C). Unfortunately, parity cannot be evaluated without adequate performance measurements and reporting. In Florida, BellSouth neither proposed nor adopted performance measures for many critical interconnection indicators, including call blockage and call completion. In fact, BellSouth

²³ See *id.* at 8-12.

did not agree upon performance standards with any of the facilities-based CLECs in Florida.²⁴

Despite the guidance provided in the Ameritech Order requiring Ameritech to “ensure that its performance measurements are clearly defined, permit comparisons with Ameritech’s retail operations, and are sufficiently disaggregated to permit meaningful comparisons” BellSouth failed to provide the necessary information.

BellSouth’s Petition in Florida relied upon performance measures the company negotiated with AT&T, the performance measures proposed in the Statement of Generally Available Terms and Conditions and reports that it routinely files with the Florida Public Service Commission and the FCC. Those reports, however, provide only limited interconnection data that do not pertain specifically to TCG or facilities-based competitive providers, being more directed at the performance information required by resellers of BellSouth services rather than facilities-based providers. Thus, the reports proposed by BellSouth in Florida are completely useless in an evaluation of whether or not BellSouth meets the requirements of the Act or the Ameritech Order.

Moreover, the performance measures BellSouth negotiated with AT&T in Florida were not reliable. Because AT&T does not provide facilities-based service in Florida, its performance measures logically do not address the specific concerns of facilities-based providers. For example, the BellSouth-AT&T performance standards do not even address such basic concerns as call

²⁴ Recently, TCG has become aware of an agreement concerning performance measures between BellSouth and a cable television company in Florida. However, TCG does not believe this agreement comports with the requirements of the Ameritech Order.

blocking percentages on interconnection trunks. Even BellSouth's witness Stacy²⁵ admitted in the Florida Section 271 proceeding that facilities-based providers require different performance measures than CLECs that resell services, and that performance measures negotiated for one CLEC would necessarily demonstrate nondiscriminatory performance for another CLEC.

Likewise, the SGAT performance measures proposed by BellSouth were deficient. Not only were these reports limited in scope, BellSouth failed to provide any reports in the Florida proceeding based upon the SGAT measurements. In the absence of any proof whatsoever that BellSouth is providing interconnection services in conformance with Section 251(c)(2)(C), the Commission must reject the instant Application.

In testimony before the Florida PSC, TCG stated that without comprehensive performance measures and benchmarks supported by at least six months of verifiable performance data, there is no evidence that BellSouth will provide interconnection at parity, as required by the Act. TCG submits that the FCC should insist upon at least as much South Carolina specific reporting before granting a request for in-region, interLATA relief.

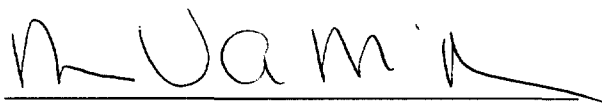
²⁵ Note that Mr. Stacy submitted an Affidavit in BellSouth's application to the FCC.

VI. CONCLUSION

For the above-stated reasons, TCG submits that BellSouth has not met its burden of proof to establish why it should be permitted to proceed under Track B. In addition, TCG submits that BellSouth inappropriately relied on regionwide organizations and support systems in support of its Track A alternative. To the extent that the Commission considers the evidence on a regionwide basis, TCG submits that evidence in Florida suggests BellSouth is not in compliance with its Section 271 obligations. As a result, TCG submits that BellSouth's application for in-region, interLATA approval should be denied.

Respectfully submitted,

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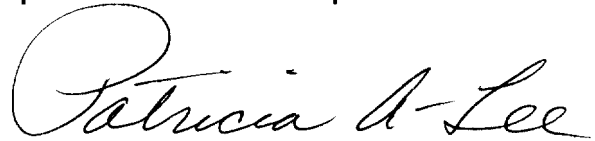
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October 20, 1997

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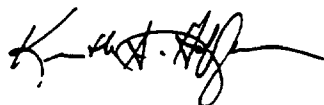
Enclosed herewith for filing in the above-referenced docket on behalf of Teleport Communications Group Inc. ("TCG") are the following documents:

1. Original and fifteen copies of TCG's Posthearing Brief; and
2. A disk in Word Perfect 7.0 containing a copy of the document.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,



Kenneth A. Hoffman

KAH/rl

Enclosures

cc: All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of BellSouth
Telecommunications, Inc.'s entry
into interLATA services pursuant
to Section 271 of the Federal
Telecommunications Act of 1996.

Docket No. 960786-TL

Filed: September 23, 1997

**POSTHEARING BRIEF OF TELEPORT
COMMUNICATIONS GROUP, INC.**

Teleport Communications Group, Inc. ("TCG"), on behalf of TCG South Florida, pursuant to Order Nos. PSC-96-0945-PCO-TL (Initial Order Establishing Procedure), PSC-97-0703-PCO-TL (Second Order Establishing Procedure), PSC-97-0792-PCO-TL (Order Modifying Procedural Schedule and Issues List) and PSC-97-1007-PHO-TL (Prehearing Order) and Rule 25-22.056, Florida Administrative Code, respectfully submits the following Posthearing Brief in the above-captioned docket.

I. ISSUES AND POSITIONS

ISSUE 1A: Has BellSouth met the requirements of section 271(c)(1)(A) of the Telecommunications Act of 1996?

No. Although there is at least one facilities-based alternative local exchange company ("ALEC") that operates in Florida, BellSouth Telecommunications, Inc. ("BellSouth") does not meet the requirements of the checklist in Section 271(c)(2)(B).

ISSUE 1A(a): Has BellSouth entered into one or more binding agreements approved under Section 252 with unaffiliated competing providers of telephone exchange service?

Yes.

It is undisputed in this proceeding that BellSouth has entered into binding interconnection agreements with TCG and other unaffiliated competing providers of telephone exchange service (see, e.g., Varner, Tr. 276; Scheye, Tr. 743; Kouroupas, Tr. 3517).

ISSUE 1A(b): Is BellSouth providing access and interconnection to its network facilities for the network facilities of such competing providers?

No. BellSouth does not provide nondiscriminatory access and interconnection for competing providers in conformance with Section 251(c)(2)(C).

As set forth below in TCG's response to Issue No. 2, the access and interconnection that BellSouth provides for competing providers is inadequate and discriminatory.

ISSUE 1A(c): Are such competing providers providing telephone exchange service to residential and business customers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities?

TCG provides wholesale local exchange service to resellers, some of whom in turn provide service to residential subscribers over TCG's facilities. TCG generally offers service to business subscribers.

ISSUE 1B: Has BellSouth met the requirements of Section 271(c)(1)(B) of the Telecommunications Act of 1996?

No. It is undisputed that qualifying providers have requested access or interconnection within the designated time period, and that BellSouth has entered into a binding interconnection agreement with most, if not all, of the parties to this proceeding as well as other ALECs. Therefore, BellSouth is not eligible to proceed under Section 271(c)(1)(B).

Track B is not available to BellSouth in this proceeding. Track B is open to BellSouth only if the record demonstrates that one of the statutory conditions outlined in Section 271(c)(1)(B) has